

FW: Debrief of Canada-US 4 corners

From: "Govier, Michèle" <michele.govier@fin.gc.ca>
To: "Mondy, Yannick" <yannick.mondy@fin.gc.ca>
Date: Fri, 11 Feb 2022 14:07:13 +0000

Hi Yannick – down at the bottom of the thread is a summary of the Canada-US call yesterday (not a lot new on EVs). However, there was also discussion on the border situation. As you will see, Patrick connected with EPB on the work they are doing re: the disruptions. He was wondering if we still have access to the border data from CBSA (not sure if Stuart still receives it, even if we aren't doing anything with it). I don't think we need to prepare a report or anything, but if we could send recent data reports from CBSA about individual crossings, that would be helpful for Julie's team. Could you let me know what we have, or have Stuart follow up with CBSA to get data from the past couple of weeks? Let me know – thanks.

From: Halley, Patrick <Patrick.Halley@fin.gc.ca>
Sent: Friday, February 11, 2022 8:59 AM
To: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Cc: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>; Govier, Michèle <Michele.Govier@fin.gc.ca>
Subject: Re: Debrief of Canada-US 4 corners

Merci Julie. Copying Michele whose division can help on cbsa data.

Sent from my iPhone

On Feb 11, 2022, at 08:54, Turcotte, Julie <Julie.Turcotte@fin.gc.ca> wrote:

Hi Patrick,
Attached is the note we did yesterday. Now working on a proper economic impact estimates. The Ambassador Bridge is definitely a pinch point, as the auto sector on both side of the border is heavily reliant on this crossing.
So far, we estimate that about \$500M worth of goods could be impacted every day by these three blockades.

This wont translate into a one-for-one economic impacts on GDP as some of the trade flow could be diverted to other bridges (at higher transportation cost – a sign of that is waiting time increasing at nearby crossings) and, so far, many producers will maintain production in expectation of eventual resolution of the blockades, piling on and/or relying on inventories.

The longer it takes to resolve, the more disruptive it then becomes because some producers will have to shut down production (as we have seen with auto producers). In general, for lengthy disruptions lasting more than a few days, we could expect from a fifth to up to a half of the value of trade flows to result in a GDP loss. But this depends on the extent of alternative routes/modes of transportation, types of goods traded (e.g. just in time cars, or perishable foods, etc.), etc.

On our side, will be useful to get any intel on timely border crossing data so we can monitor extent of diversion from blockades to other crossings – anything you have will be very useful.

I am in contact with Transport Canada so getting intel from their side too.

Thanks!

Julie

Julie Turcotte
Director General | Directrice générale
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Julie.Turcotte@fin.gc.ca | cell: **Personal Info.**

From: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>
Sent: Friday, February 11, 2022 8:38 AM
To: Halley, Patrick <Patrick.Halley@fin.gc.ca>
Cc: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Subject: Re: Debrief of Canada-US 4 corners

Thanks Patrick. Looping Julie in. Will forward you what we have.

On Feb 11, 2022, at 8:29 AM, Halley, Patrick <Patrick.Halley@fin.gc.ca> wrote:

Rhys,
I didn't know you were tracking the econ disruptions from protests but there was a short discussion on borders at the weekly 4C on Cda-US that I generally attend. Wouldn't mind getting the material you are working on when it is ready. And if you need CBSA data, let me know as we have a direct line with them on border crossings data (that we used extensively during the early days of COVID)

Patrick

From: Halley, Patrick
Sent: Thursday, February 10, 2022 7:36 PM
To: Sabia, Michael <michael.sabia@fin.gc.ca>; Leswick, Nick <Nick.Leswick@fin.gc.ca>
Cc: Williams, Tushara <Tushara.Williams@fin.gc.ca>; Darragh, Kristy <kristy.darragh@fin.gc.ca>; Govier, Michèle (<Michele.Govier@fin.gc.ca> <Michele.Govier@fin.gc.ca>); Purves, Glenn <glenn.purves@fin.gc.ca>; Verheul, Steve <Steve.Verheul@fin.gc.ca>
Subject: Debrief of Canada-US 4 corners

Michael, Nick

Late this afternoon, Michèle participated in the weekly 4C meeting on Canada-U.S. issues management. Bud from MINO was also on the line.

On **EVs**, there was limited discussion. The Embassy confirmed there has been little activity on the file, and noted that their latest engagement (with Democratic Senator Kyrsten Sinema) suggested that there would likely be no discussion of the Build Back Better Act, or its components, until April or May at the earliest. GAC officials met with USTR officials following a formal request from the U.S. under the consultation provisions of the CUSMA Agriculture chapter, concerning the quarterly allocation of TRQs (which was done pursuant to the Freeland/Ng letter indicating CUSMA TRQ benefits could be suspended if the EV matter is not resolved). The US indicated that they perceived the quarterly allocation as a unilateral suspension of CUSMA benefits, in reaction to a program that was only a proposal at this time. The US indicated they may seek further discussion, but gave no indication that they planned to move such discussions to the CUSMA's dispute settlement process.

There was no discussion of **reciprocal procurement**.

There was discussion of **border disruptions**. While several of the key players from PCO were not on the line to provide updates, officials from the Embassy confirmed the significant outreach they have had from various US interlocutors (members of Congress from affected regions, Cabinet secretaries, Governor Whitmer), expressing concern and a desire to help. Jody Thomas and Rob Stewart had a call with the U.S. Homeland Security Advisor earlier this week, with another call planned for this evening. The CBSA was also on the line, providing updates on its operations at affected borders. Most notably, it appears GM is seeking to rent an ice-breaker and transport vehicles and parts via the Great Lakes, and has worked with CBSA to ensure clearance. The CBSA also noted that disruptions may affect the Niagara region next, and they are in discussion with local officials.

Patrick

<Backgrounder - Ambassador Bridge Blockade.docx>